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ABSTRACT

This brochure describes the meeting of 63 representatives from the American Academy of Pediatrics, Washington Business Group on Health, Maternal and Child Health Bureau, and the education community convened to develop an action plan for American health care that would be responsive to children's needs. Highlighted problems included the lack of health coverage for 15% of those under 21, the high rate of child poverty, and the misplaced incentives and lack of accountability in the health industry. The group reached widespread agreement on several issues: (1) universal child health benefits should cover prevention and early intervention, as well as acute, chronic, and mental health care; (2) prenatal care for mothers is essential; (3) services for children and pregnant women should have first priority in the health care reform process; (4) entry into the new system should be through the primary care practitioner, and all care should be delivered under medical supervision by the most appropriate provider in the most appropriate setting; (5) the health care system should be employer-based for the private sector and funded out of general revenues for the poor; (6) health services should be coordinated with other essential community services; and (7) health education should help Americans become informed consumers. The brochure includes information about the needs of pregnant women, newborns, infants, young children, adolescents, and workers, along with a participant list, glossary of terms, and mission statements for participating organizations. (AC)

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"We can't duck the issue any longer. The fundamental right of all children to comprehensive health care must be addressed."

—John Burns, M.D.
Honeywell Inc.

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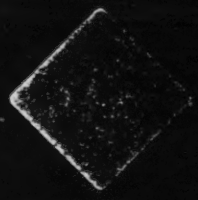

CHILDREN AS CAPITAL
CORPORATE HEALTH POLICY RETREAT

A PROJECT OF
AMERICAN ACADEMY OF PEDIATRICS
AND
WASHINGTON BUSINESS GROUP ON HEALTH
SPONSORED BY
MATERNAL AND CHILD HEALTH BUREAU

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Toward a New Partnership

"This meeting is part of an ongoing collaborative effort to build strong alliances."

—Howard Pearson, M.D.
American Academy of Pediatrics

For the more than 60 representatives from the American Academy of Pediatrics, Washington Business Group on Health, Maternal and Child Health Bureau, and education community who came together on February 21 and 22, 1993, the diagnosis was clear: America's health care system is broken, and too many children are lacking even the most basic medical care.

When it came to the remedy, there was more harmony than conference participants—with their seemingly disparate interests—had thought possible. Indeed, at this historic meeting, one issue above all emerged as nonnegotiable: Across America, all children up to age 21 must be guaranteed the same package of basic health benefits, with access to comprehensive, high-quality care.

These leaders from business, health, and education then went on to develop an action plan for American health care responsive to children's needs. In Arlington, Virginia, a meeting of minds had begun.

Problems abound. There are an estimated 76.4 million people in the United States under the age of 21, making up 30% of the population.

Investing in Our Children

1. Pregnancy and the Newborn
Prenatal care or treatment right after birth can avert many birth defects. Abstinence from alcohol during pregnancy prevents fetal alcohol syndrome. Taking folic acid very early in pregnancy may reduce the risk of spina bifida. Through a special diet for the child, the effects of phenylketonuria, a genetic disorder that could cause mental retardation, can be cut short.

"To improve children's health, we must get to women early in their pregnancies."

—Andrea Castell
Health Care Purchasers Association

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but 45% of the nation's poor. The average cost of health care per child is about half of that for adults and a seventh of that for the elderly. Yet, 15% of those under 21 years of age, or more than one in six, have no health coverage. One in five live in poverty.

"The system we create must provide incentives and reimbursement to help professionals fulfill their roles."

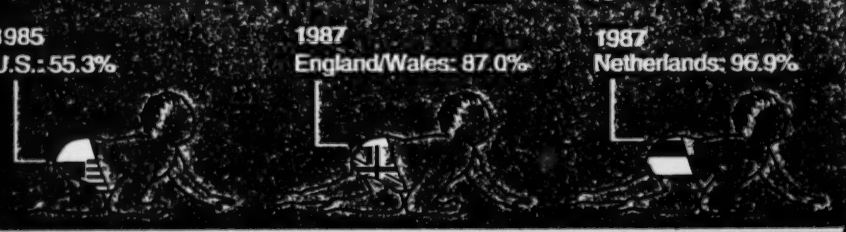
—Liz Cronin
Levi Strauss & Co.

Poverty and lack of health care are major reasons why one out of three 6-year-olds is not ready for school. Twelve percent will eventually drop out, trying to enter the work force at a time when advanced technologies demand at least a high school education. American industry, in turn, will lose many of the healthy, educated workers needed to regain and maintain our international stature in the marketplace.

With the focus on curing illness rather than helping people stay as healthy as possible, the incentives in the health care delivery system are in the wrong place. There is no rational planning to allocate resources. There is no accountability for performance. Relationships between purchaser and provider tend to be adversarial. Lacking comparable data on the quality and outcomes of health care delivery, consumers and businesses have little information on which to base buying decisions.

2. The Infant
To make certain the infant is growing and developing properly, early check-ups are essential. In addition, a series of immunizations—initiated in the newborn period and continued until the full series is completed—are a cost-effective way of preventing illness, disability, or death.

Percentage of Preschool Children Immunized Against Polio in Selected Countries
Source: Miller and Williams, Preventive Health Care for Young Children



"We want to see delivery of health-care services at appropriate sites, for example, out of the emergency room and into private offices."

—Antoinette Eaton, M.D.

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These failings contribute to a fragmented system where access to health care is diminishing and quality fails to improve. Meanwhile, health care costs for Americans keep going up; per person, they are the highest in the world.

"Business is willing to pay for these services as long as it's not an open spigot."

—Michael Tarre
WFS Workforce Solutions, an IBM Company

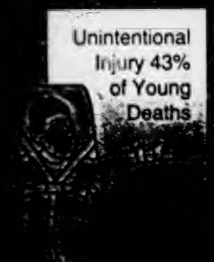
The Starting Point

Around the table there was widespread agreement on a number of other issues.

Universal child health benefits should cover prevention and early intervention, as well as acute, chronic, and mental health care, all delivered and managed through an accountable system. Prenatal care for mothers is also an essential part of the package of universal health benefits. In addition, children should receive necessary and appropriate dental and vision care, as well as access to a flexible array of services (e.g., day treatment programs, home-based care, and respite care).

The health care system, including delivery of services, must be overhauled. If comprehensive reform has to take place in phases rather than all at once, children and pregnant women should come first. Providing them with universal health care as soon as possible is a

3. The Young Child
In the past several decades, substantial progress has been made in decreasing childhood disease and in lowering death rates. Today the leading cause of death for children of all ages is unintentional injury. Chronic health problems are doubling; in 1989, they limited school attendance or preschool activities for about 3.3% (2.2 million) of our children.



Deaths Due to Unintentional Injury vs. Total Deaths Ages 1–9, United States, 1989

Source: National Center for Health Statistics

"Avoiding head injuries by using helmets, buckling kids into safety auto seats, checking temperatures of hot-water heaters to prevent burns, unloading and locking up firearms—we talk about that every day with our patients." ***—Alan Harlor, M.D.***

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sound national investment. Ensuring children's health also makes good business sense.

To assure necessary and appropriate services, entry into the new system should be through the primary care practitioner. And all care should be delivered under medical supervision by the most appropriate provider in the most appropriate setting—for example, private physicians' offices, clinics, hospitals, and at home.

"One size doesn't fit all. Just because we will have a new health system doesn't mean children will be taken care of automatically."

—Nathan Stark, J.D.
National Academy of Social Insurance

The health care system should be employer based for the private sector and funded out of general revenues for people with low incomes.

Health services should be coordinated with other essential services in the community, including those provided through the public health system. To help ensure that care is continuous and coordinated, medical records must be readily accessible; as the technology matures, all patients should be followed by an integrated and automated medical record.

Health education should include information that enables all Americans to choose health care based on patient satisfaction, quality, cost, and health outcomes.

4. The Adolescent

Compelling problems facing adolescents today are school dropout, violence, and AIDS. Dropout rates fell slightly in the 1980s, especially among blacks; Hispanic rates stayed steady. Violence exploded: In 15- to 19-year-olds, homicide was the second leading cause of death (eight times higher for blacks than whites). Suicide was tried by 1 in 12 (almost twice as many whites as blacks).

High School Dropout Rate, Ages 16–24, by Race and Ethnicity, United States, 1991

Source: National Center for Education Statistics

"Because of AIDS's long latency period—up to 9 years—teen education in healthy life styles can decrease the risk of developing AIDS in young adulthood."

—Audrey Nora, M.D., Maternal and Child Health Bureau

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We must have a one-class system for all Americans regardless of income level. A program for the poor alone will always be a poor program.

Organized Systems of Care (OSCs) surfaced as the best way to deliver a comprehensive, universal health package that works for everyone in this nation, including children and pregnant women.

OSCs represent a fundamental change in the delivery of health care. They are designed, by definition, to provide high-quality, well-managed care along a continuum encompassing preventive, primary, and special needs.

Depending on how we take care of them, our children can grow up to be felons or drug abusers, and dependent on the state. Or they can grow into something quite wonderful—taxpayers!"

—Bob Keeshan (Captain Kangaroo)

They can create confidential medical information trails that serve as a stimulus for continuous quality improvement.

They foster competition among themselves for customers, thereby encouraging providers to improve quality of services and accountability.

Through OSCs, purchasers, providers, and consumers can make certain that all of America's children have the best possible chance to grow up healthy and become contributing members of society.

Projected Growth of U.S. Workforce, by Race and Ethnicity, 1990–2005

Whites	Blacks	Hispanics
+17.4%	+31.7%	+75.3%

5. The Worker
In our technologically sophisticated world, the most rapidly growing and best-paid occupations are those requiring the most education. Many jobs that require little schooling are disappearing. Investing in child health care today can help us build healthier, better educated, and more productive workers.

Source: U.S. Department of Labor

"Organized Systems of Care are the best way to grow a healthy, productive work force."

—Mary Jane England, M.D. Washington Business Group on Health

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GLOSSARY

Some of the terms essential to understanding the health care environment for children today.

Accountable Health Plan (AHP). Health care delivery organization, proposed by the Jackson Hole Group, that integrates the financial, clinical, managerial, and preventive aspects of health care delivery. Publicly accountable for quality, cost, health outcomes, and patient satisfaction. By organizing demand, makes it possible for "buyers and sellers" to negotiate using meaningful information.

Acute care. Short-term health care provided to patients who do not require concentrated and continuous observation.

Capitation. Compensation to providers for delivering specified health services for a preset fixed fee.

Case management. Process of identifying, assessing, organizing, coordinating, and monitoring the necessary and appropriate services to meet an individual's health, vocational, and social service needs.

Community rating. Premium calculation based on the entire expected population use rather than on use by specific groups.

Continuity of care. Health care provided on a continuous basis, starting with the patient's initial contact with the primary care practitioner and following the patient through all episodes of his or her health care needs.

Continuous Quality Improvement (CQI). Process identifying problems in delivery of services, testing solutions, and constantly monitoring the solutions for improvement. Intended to encourage appropriate and necessary care, as well as accountability for cost and quality.

Cost containment. Strategies such as market incentives, global budgeting, tax caps, managed care, prevention, and health promotion efforts used to manage health care costs while minimizing their increasing rate.

Experience rating. Premium calculation based on the cost of a group's health care claims. Those with the sickest workers pay the highest premiums.

Gatekeeper. Primary care practitioner or other individual who serves as a patient's initial contact for medical care and referrals. Often responsible for directing patients through a managed care system. Also refers to utilization review personnel who authorize certain services, such as hospitalization, for insured patients.

Global budget. Term referring to the government's monitoring or controlling private and public health care spending. Control can range from establishing a national spending target that can be adjusted annually to setting a national spending ceiling and apportioning the federal budget to the states.

Health Insurance Purchasing Corporation (HIPC). Purchasing cooperative designed to spread risk, achieve economies of scale, offer choice of plan at the individual subscriber level, and manage competition effectively. Integral to many managed competition plans. Also called Health Alliances.

Indemnity plan. Traditional insurance plan containing a fee schedule to establish dollar allowances for covered services. Pure indemnity plan is used by few, if any, employers. Instead, employers are increasingly imposing quality and cost-control measures.

Managed care. Health care plan that manages use and cost of services through such devices as second opinions, utilization review, physician gatekeepers, and financial incentives to reduce unnecessary services. Goal is to encourage consumers to receive the highest quality care by the most appropriate provider in the most appropriate setting.

Managed competition. Health care system that blends aspects of government regulation with competition encouraged on the basis of cost, quality, health outcomes, and patient satisfaction. Integrates delivery and financing of health care services. Small purchasers are pooled into HIPCs, and the financial, clinical, managerial, and preventive functions of health care delivery are organized into AHPs. In this way, the current fragmented delivery system is restructured into competing Organized Systems of Care.

Organized System of Care (OSC). Integrated delivery and financing system that uses a panel of providers, selected on the basis of quality and cost management criteria, to furnish purchasers—including employers, HIPCs, and public insurance programs—with comprehensive health care services. Incorporates CQI mechanisms and incentives to provide only appropriate and necessary care and is accountable to purchasers, patients, and others on the basis of cost, quality, health outcomes, and patient satisfaction.

Play or pay. System in which employers must either provide health insurance for their employees or pay a tax to offset governmental costs incurred by providing coverage.

Point of service. Health plan that allows members to choose services from a nonparticipating provider at a higher cost.

Portability. Ability of a worker to remain covered in the same health plan regardless of employment status.

Preventive care. Comprehensive care emphasizing prevention, early detection, and early treatment of conditions, and generally including routine physical examinations, immunization, and well-person care.

Primary care. Initial contact for personal health care, including care from physicians and other health care practitioners trained in general pediatrics, general internal medicine, obstetrics and gynecology, and family practice. Also provides for continuity of services and referral for subsequent necessary care.

Public health. Application of scientific and technical knowledge to address community health needs, thereby preventing disease and promoting health. Core functions include collecting and analyzing data, developing comprehensive policies for entire populations, and assuring that appropriate services are delivered to all.

Redlining. Practice of insurers denying coverage to high-risk groups, sometimes whole professions or industries. (Fear of AIDS, for example, has prompted some insurers to avoid insuring artists, hairdressers, dancers, interior decorators, etc.)

Risk rating. Plans that differentiate premiums according to assessed risk status, with premium setting based on health risk status and health-related behavior that are indicators for high health care expenditures.

Single payer system. Health care system funded exclusively by government, usually through taxes, that provides payment directly to providers.

Utilization review. Independent evaluation of a patient's clinical progress to make sure the care being provided is appropriate and necessary. Widely used cost-containment device and a key element in managed care.

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MISSIONS

AMERICAN ACADEMY OF PEDIATRICS

A world where all children can enjoy the best possible physical and mental health is the goal of the American Academy of Pediatrics. Founded in 1930, its 45,000 pediatrician members work out of 58 state-based chapters. National policies are formulated by more than 30 expert committees staffed by practitioners distinguished in such fields as environmental health, prevention of child injury and disability, substance abuse, nutrition, health financing, bioethics, and pediatric AIDS. At both state and federal levels, the Academy lobbies for child-centered policies as part of its major priority: access to health care for all children and pregnant women.

MATERNAL AND CHILD HEALTH BUREAU

The Maternal and Child Health Bureau, U.S. Department of Health and Human Services, originally created as the Children's Bureau over 80 years ago, provides leadership to both the public and private sectors in building the infrastructure for delivery of health care services to all mothers and children in the nation. MCHB administers the federal government's Maternal and Child Health Services Block Grant and other special legislation affecting children. The goals are to assure health care for poor children, pregnant women, and children with chronic conditions; reduce infant deaths and disability; increase immunizations; provide rehabilitation to children eligible for Supplemental Security Income; and develop family-centered, community-based services for children with special health needs.

WASHINGTON BUSINESS GROUP ON HEALTH

The Washington Business Group on Health, a national, nonprofit organization made up of America's largest employers, was formed in 1974. WBGH works to promote corporate competitiveness, productivity, and the well-being of American workers and their families through comprehensive health system reform. Among its priorities are: identifying and promoting effective health and human resource strategies both at the work site and in the community. WBGH also provides a forum where employers, health coalitions, government, insurers, labor, academicians, providers, and consumers can forge collaborative solutions to health policy.

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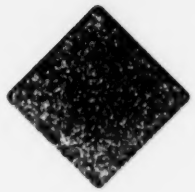

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